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2002 NOV -1 P 1:24

Arizona Corporation Commission  
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NOV 01 2002

October 31, 2002

AZ CORP COMMISSION  
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Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

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**Re: In the Matter of the Application of Smith Bagley, Inc. for Designation as an Eligible Telecommunications Carrier under 47 U.S.C. § 214(e)(2), Docket No. T-02556A-01-0931**

Dear Corporation Commissioners and Staff:

This letter constitutes the comments of Citizens Telecommunications Company of the White Mountains, d/b/a Frontier Communications of the White Mountains ("Frontier"), on the latest application of Smith Bagley, Inc. ("SBI") for designation as an Eligible Telecommunications Carrier ("ETC"). By an application filed on November 26, 2001, SBI seeks to extend its ETC designation to include the Frontier exchanges of Holbrook, Snowflake, St. Johns, Show Low, Pinetop, Heber, Alpine and Springerville. As described in SBI's application, these exchanges are generally north and east of the White Mountain Apache Indian Reservation and south of the Navajo Indian Reservation.

Frontier does not object to geographically extending SBI's ETC designation to include the Frontier exchanges listed in the previous paragraph, provided the Commission attaches the same conditions recommended by the Staff in Docket Nos. T-02556A-02-0223 and T-02556A-99-0207 and adopted by the Commission in Decision Numbers 65045 and 63269. As set forth at ¶ 51 of the Commission's Findings of Fact in Decision No. 65054, the conditions previously recommended by the Staff are as follows:

1. SBI shall follow its current tariff on file with the Commission, as it may be amended from time-to-time. SBI shall comply with ARS 40-367 in amending its Tariffs.
2. SBI be required to file service area maps for the areas it is granted ETC status by the Commission within thirty (30) days of this order.
3. SBI be required to provide service quality data within thirty (30) days of a request by the Commission Staff.
4. SBI shall submit any consumer complaints that may arise from its offering as an ETC to the Commission's Consumer Service Division, provide a regulatory contact and comply with the provisions of the Commission's customer service and termination of service rules.

5. SBI shall submit its advertising plan for Lifeline and Link Up services to Staff for review prior to commencing service.

The Commission found these conditions reasonable on page 12, lines 20-21, of Decision No. 65054 and ordered that SBI comply with them on the same page of its Decision at lines 27-28.

At ¶ 23 of the Findings of Fact in Decision No. 65054, the Commission observes "SBI will provide the minimum number of free minutes as prescribed by the FCC pursuant to Section 54.101(a)(2)." It should be noted the FCC has not yet determined the minimum number of free minutes that constitute "local usage." In Smith Bagely's petition before the FCC seeking ETC status on the Navajo Reservation in Utah, the Independent Telephone and Telecommunications Alliance commented on this issue as follows:

The Commission should require SBI to disclose the details of its proposed service offerings, including the amount of local usage included in each service plan. Without any commitment to provide a minimum level of local usage, SBI may be able to maximize universal service support payments by winning many customers with nearly free monthly access, while minimizing the cost of service by discouraging its use through extremely high per-minute usage charges. SBI conspicuously omits from its Petition any mention of charges for service beyond the first 200 minutes per month. While SBI offers to be the primary provider to households in previously unserved and underserved communities, its touted VisionOne™ plan translates to *less than seven minutes of local usage per day*. Before granting ETC status to SBI, the Commission should consider whether such an offering satisfies the definition of "local usage" within the meaning and spirit of the Act.

Finally, SBI's intentions should be clarified in one additional respect. At ¶ 25 of its Findings of Fact in Decision 65054, the Commission remarks "SBI also intends to have at least one Native American language speaking operator on line at all times to assist Native American callers who do not speak English." Frontier is aware that Smith Bagley obtains operator services for its customers who reside on or near the Navajo Indian Reservation from Frontier's sister company, Navajo Communications Company, Inc. Those customers of Smith Bagley who wish to speak to the operator in the Navajo language may do so because Navajo Communications employs operators who also speak Navajo. SBI should clarify whether and how it will provide Apache-speaking operators for its customers who reside on or near the White Mountain Apache Indian Reservation.

Sincerely,



Curt Huttzell, Ph.D.  
State Government Affairs